

AMENDED IN SENATE JUNE 15, 2004

AMENDED IN SENATE JUNE 30, 2003

AMENDED IN ASSEMBLY APRIL 22, 2003

CALIFORNIA LEGISLATURE—2003–04 REGULAR SESSION

**ASSEMBLY BILL**

**No. 1157**

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**Introduced by Assembly Member Canciamilla**

February 21, 2003

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An act to amend Section 455.2 of, and to add Section 455.4 to, the Public Utilities Code, relating to public utilities.

LEGISLATIVE COUNSEL'S DIGEST

AB 1157, as amended, Canciamilla. Public utilities: water and gas rates.

Existing law requires the Public Utilities Commission to establish rates for gas corporations and water corporations and requires the commission to issue a final decision, within a specified timeframe, on a water corporation's application, involving a water corporation with greater than 10,000 service connections, for a general rate increase pursuant to the commission's rate case plan for general rate increase applications.

This bill would require that the commission issue a final decision in an application by a water corporation with greater than 10,000 service connections, without regard to when the application is filed or was previously filed.

This bill would require the commission to issue a final decision in a general rate case application by a gas corporation with less than 250,000 service connections, so that the rate becomes effective on the first day

of the first test year in the application. The bill would authorize the applicant to file a tariff implementing interim rates that may be increased by an amount equal to the rate of inflation as compared to existing rates if the commission decision is not effective in accordance with this requirement. The bill would require the commission to establish a schedule to require every gas corporation with less than 250,000 service connections to file an application pursuant to the rate case plan for a general rate increase every 3 years. The bill would provide that its provisions may be waived at any time by mutual consent of the executive director of the commission and the gas corporation.

Vote: majority. Appropriation: no. Fiscal committee: yes. State-mandated local program: no.

*The people of the State of California do enact as follows:*

1 SECTION 1. Section 455.2 of the Public Utilities Code is  
2 amended to read:  
3 455.2. (a) The commission shall issue its final decision on a  
4 general rate case application of a water corporation with greater  
5 than 10,000 service connections in a manner that ensures that the  
6 commission's decision becomes effective on the first day of the  
7 first test year in the general rate increase application.  
8 (b) If the commission's decision is not effective in accordance  
9 with subdivision (a), the applicant may file a tariff implementing  
10 interim rates that may be increased by an amount equal to the rate  
11 of inflation as compared to existing rates. The interim rates shall  
12 be effective on the first day of the first test year in the general rate  
13 case application. These interim rates shall be subject to refund and  
14 shall be adjusted upward or downward back to the interim rate  
15 effective date, consistent with the final rates adopted by the  
16 commission. ~~The commission may authorize a lesser increase in~~  
17 ~~interim rates if the commission finds the rates to be in the public~~  
18 ~~interest~~ *commission*. If the presiding officer in the case determines  
19 that the commission's decision cannot become effective on the  
20 first day of the first test year due to actions by the water  
21 corporation, the presiding officer or commission may require a  
22 different effective date for the ~~interim rates or~~ final rates.  
23 (c) The commission shall establish a schedule to require every  
24 water corporation subject to the rate case plan for water  
25 corporations to file an application pursuant to the plan every three

years. The plan shall include a provision to allow the filing requirement to be waived upon mutual agreement of the commission and the water corporation.

(d) The requirements of subdivisions (a) and (b) may be waived at any time by mutual consent of the executive director of the commission and the water corporation.

(e) This section applies to every pending general rate case application of a water corporation with greater than 10,000 service connections, without regard to when the application is filed or was previously filed. This subdivision does not constitute a change in, but is declaratory of, the intent of the Legislature in adding this section by enacting Chapter 1147 of the Statutes of 2002.

SEC. 2. Section 455.4 is added to the Public Utilities Code, to read:

455.4. (a) The commission shall issue its final decision on a general rate case application of a gas corporation with less than 250,000 service connections in a manner that ensures that the commission's decision becomes effective on the first day of the first test year in the general rate increase application.

(b) If the commission's decision is not effective in accordance with subdivision (a), the applicant may file a tariff implementing interim rates that may be increased by an amount equal to the rate of inflation as compared to existing rates. The interim rates shall be effective on the first day of the first test year in the general rate case application. These interim rates shall be subject to refund and shall be adjusted upward or downward back to the interim rate effective date, consistent with the final rates adopted by the commission. ~~The commission may authorize a lesser increase in interim rates if the commission finds the rates to be in the public interest~~ commission. If the presiding officer in the case determines that the commission's decision cannot become effective on the first day of the first test year due to actions by the gas corporation, the presiding officer or commission may require a different effective date for the ~~interim rates or~~ final rates.

(c) The commission shall establish a schedule to require every gas corporation subject to the rate case plan for gas corporations to file an application pursuant to the plan every three years. The plan shall include a provision to allow the filing requirement to be waived upon mutual agreement of the commission and the gas corporation.

1 (d) The requirements of subdivisions (a) and (b) may be waived  
2 at any time by mutual consent of the executive director of the  
3 commission and the gas corporation.

4 (e) This section applies to every pending general rate case  
5 application of a gas corporation with less than 250,000 service  
6 connections, without regard to when the application is filed or was  
7 previously filed.

8 SEC. 3. By adding Section 2, it is the intent of the Legislature  
9 to extend the time requirements for the commission to issue a final  
10 decision on a general rate case application of a water corporation  
11 with greater than 10,000 service connections, enacted in Chapter  
12 1147 of the Statutes of 2002, to a general rate case application of  
13 a gas corporation with less than 250,000 service connections.

